

IN THE UNITED STATES PATENT AND  
TRADEMARK OFFICE

Applicant: ANTHONY R. ROTHSCHILD

Art Unit: 3622

Serial No.: 09/755,541

Filed: January 5, 2001

Examiner: Jeffrey D. Carlson

Title: SYSTEM AND METHOD FOR ADDING  
AN ADVERTISEMENT TO A  
PERSONAL COMMUNICATION

DECLARATION OF ANTHONY ROTHSCHILD

I, Anthony Rothschild, declare and state:

1. I am the inventor of the subject matter disclosed in patent application number 09/755,541, entitled SYSTEM AND METHOD FOR ADDING AN ADVERTISEMENT TO A PERSONAL COMMUNICATION and filed January 5, 2001 ("the present application"). I make this Declaration pursuant to 37 C.F.R. § 1.131 and in support of my Amendment, which responds to the Office Action dated July 6, 2004.

2. The present application, stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Stanbach, Jr. et al. (U.S. Pat. No. 6,449,657) in view of Joo et al. (Korean Pat. App. No. 99073076) and Camut et al. (U.S. Pat. No. 6,684,257).

3. This rejection, however, is based on references that are not prior art to the present application, therefore making the rejection improper. As discussed in greater detail below and supported by the attached exhibits, I conceived of the invention disclosed in the present application ("my invention") prior to the filing

1 dates of the Stanbach and Camut patents (i.e., August 6, 1999 and October 15,  
2 1999, respectively) and prior to the publication date of the Joo patent application  
3 (i.e., October 5, 1999) and was reasonably diligent in reducing my invention to  
4 practice.

5  
6 4. A primary object of my invention is to allow a sender of a personal  
7 communication (e.g., an email, etc.) to select (or initiate the selection of) an  
8 advertisement that is to be linked to the personal communication and sent to a  
9 recipient. See, e.g., Abstract. For example, in one embodiment of the present  
10 invention, an advertising application is used by a sender to draft an email to a  
11 recipient and to select an advertisement that is to be attached to (or included in) the  
12 email. See, e.g., col. 13, line 16 – col. 14, line 10; Figure 3. The email (including  
13 the advertisement) is then sent to the recipient. In exchange for including the  
14 advertisement in the email, the sender is compensated (e.g., receives a benefit, is  
15 paid, etc.). See, e.g., col. 17, lines 8-20.

16  
17 5. The present application claims priority to a provisional patent  
18 application filed January 6, 2000. My invention, however, was actually conceived  
19 by me much earlier than this and prior to August 6, 1999 (the earliest of the  
20 aforementioned cited reference dates). Evidence of my earlier conception can be  
21 found, for example, in my communications with Cyber Lab, a software  
22 development company located in Germany, and Christopher Mackenzie, a member  
23 of the board of WPP, one of the largest advertising agencies in the world.

24  
25 6. In the spring of 1999, I was discussing my invention with two  
26 principle firms: Cyber Lab, in an effort to develop software for my invention; and  
27 O'Melveny & Myers (the firm of record for the present application), to draft and  
28 file a provisional patent application.

1  
2 7. In April 1999, I entered into a Non-Disclosure Agreement (NDA) with  
3 Jean Paul Schmetz, CEO of Cyber Lab. As stated in the NDA, Cyber Lab was to  
4 provide software services to “exploit commercially a system for attaching  
5 interactive targeted adverting to e-mails on the Internet.” A true and accurate copy  
6 of this NDA is attached hereto as Exhibit A.

7  
8 8. On May 27, 1999, after various meetings and telephone conferences  
9 between myself and Mr. Schmetz, I received a draft proposal from Cyber Lab that  
10 included a rough outline of my invention and a quote for software development. A  
11 true and accurate copy of Cyber Lab’s draft proposal is attached hereto as Exhibit  
12 B. The proposal states that the “idea behind @dmail [i.e., one concept title for my  
13 invention] would be to aggregate the traffic results from people sending each other  
14 emails and be able to use this as a basis for selling advertisement.” The proposal  
15 continues by stating that “[i]t is the intention of creating an advertisement system  
16 that would: (1) *Allow users to register to the system and select which*  
17 *advertisement they would like to include to their emails* ... (2) Allow users to track  
18 the responses to their @mails and know how much credit they have received [and]  
19 (3) Provide a way for users to redeem their @mail credits ... .” Emphasis added.  
20 A block diagram as to how the invention could be implemented is then provided.  
21 See, e.g., database, outgoing mail server, user’s email program, etc.

22  
23 9. For the next few months I continued to discuss my invention with  
24 individuals at Cyber Lab. The information disclosed was to be used by Cyber Lab  
25 to draft a detailed proposal on my invention.

26  
27 10. On July 20, 1999, I sent a letter to Christopher Mackenzie, a member  
28 of the board of WPP, one of the largest advertising agencies in the world. A true

1 and accurate copy of this letter is attached hereto as Exhibit C. This letter includes  
2 a brief description of my invention. For example, it states that "BrandMail [i.e.,  
3 another concept title for my invention] leverages the knowledge of the person  
4 sending email (sender) as to the likely interest or receptiveness of the recipient to  
5 the advertiser's message or the linking method used by the advertiser (icons,  
6 banners, signature lines, etc.) to bring the recipient to their site. ... ***The sender can  
7 add either automatically or through manual selection advertising material to the  
8 body, top or end of their messages or as an attachment to the email. ... The  
9 sender receives a certain amount of benefit or cash for doing this per email.***" It  
10 also states that "[w]e are currently in the process of seeking protection for the  
11 intellectual property in the program and are filing for patents in the U.S. and where  
12 appropriate and when, internationally."

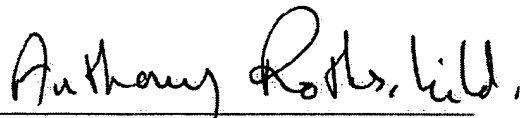
13  
14 11. In August 1999, I received a detailed proposal from Cyber Lab (in  
15 both German and English) that included an outline of my invention. A true and  
16 accurate copy of Cyber Lab's detailed proposal is attached hereto as Exhibit D.  
17 Section 3.1 provides an overview of a "sender orientated system" in which (i)  
18 advertisers (or advertisements) are recruited, (ii) senders of email are enabled to add  
19 an advertisement to their email, and (iii) the senders are compensated based on the  
20 recipients' actions (e.g., buying the advertised product, etc.). Block diagrams are  
21 further provided in Sections 5 and 9. Section 9, for example, shows the @mail  
22 website, server, database (e.g., for storing advertisements), email sending device,  
23 etc.

24  
25 12. My communications with O'Melveny & Myers (the firm of record)  
26 concerning my invention continued throughout the second half of 1999. For  
27 example, documents concerning my invention were send to Samir Armaly, an  
28 attorney at O'Melveny & Myers, on August 9 and November 2, 1999.

1 Furthermore, documents concerning the provisional patent application were sent to  
2 me during the months of November and December. On January 6, 2000,  
3 O'Melveny & Myers filed a provisional patent application on my invention.  
4 Because these communications with my attorney include confidential information,  
5 and are subject to the attorney-client privilege, they are not attached to this  
6 declaration. The Examiner is invited to call Brian Berliner, the attorney of record,  
7 if such communications are deemed necessary.  
8

9 13. Because I conceived of my invention before August 6, 1999, and was  
10 reasonably diligent in reducing my invention to practice, the Stanbach patent is not  
11 a prior art reference, and therefore cannot be used as a basis for a rejection.  
12 Furthermore, because I conceived of my invention before October 1999, and was  
13 reasonably diligent in reducing my invention to practice, the Camut patent and Joo  
14 patent application are not prior art references, and therefore cannot be used as a  
15 basis for a rejection. Therefore, it is respectfully requested that the present  
16 rejection, which is based on a combination of these references, be withdrawn.  
17

18 I declare under penalty of perjury under the laws of the United States that the  
19 foregoing is true and correct. Executed this 23<sup>rd</sup> day of December 2004, at  
20 Verbier, Switzerland.

21   
22 Anthony Rothschild  
23  
24  
25  
26  
27  
28

R. Anthony Rothschild  
c/o 10 Finsbury Square, 6th Floor  
London EC2A 1LA

12 April 1999

~~Burda~~ Burda Holding - Cyber Lab  
Interactive Productions GmbH  
Arabellastraße 23  
81925 Munich  
Germany  
Attn: Jean Paul Schmetz (fax: +49 89 92 50 33 07)

Ladies and Gentlemen:

RE: @ctivemail/Admail

I understand that you may be interested in providing services (the "Services") to the projects (a) currently known as "@ctivemail", a business venture under formation to provide a unified messaging portal to the Internet for access by various communication methods including but not limited to computer, telephone and fax ("@ctivemail"), and (b) currently known as "Admail", a business venture under formation to exploit commercially a system for attaching interactive targeted advertising to e-mails on the Internet ("Admail"). In connection with your interest in providing Services, I propose to make available to you, and/or to procure that others make available to you, certain technical, financial, marketing, organisational, business strategy and related information regarding @ctivemail and/or Admail (including any such information transferred in writing, orally, visually, electronically or by other means, together, the "Confidential Information"). In consideration of the Confidential Information being made available to you, and as a condition to the disclosure thereof to you, you agree as follows:-

1. The Confidential Information will be used by you solely for the purpose of your evaluation of the desirability of your entering into one or more agreements to provide Services to @ctivemail and/or Admail and for no other purpose.
2. You shall keep all Confidential Information secret and confidential and shall not disclose it to anyone except to a limited group of your own employees and directors who are actually engaged in the evaluation referred to above. You may also disclose it to your outside professional advisors similarly engaged. Each person to whom such Confidential Information is disclosed must be advised of its confidential nature and of the terms of this Agreement and you will ensure that all such persons observe the terms of this Agreement. You shall be responsible for any breach of this Agreement by any of such persons. The fact that Confidential Information has been delivered to

you and that discussions or negotiations have occurred or are occurring regarding your providing Services are considered Confidential Information for purposes of this Agreement.

3. Upon written notice from me to you (i) you will either destroy or return to me the Confidential Information which is in tangible form, including any copies which you may have made, and you will destroy all abstracts, summaries thereof or references thereto in your documents, and certify to me that you have done so, and (ii) neither you nor your directors, employees, agents, or representatives will use any of the Confidential Information with respect to, or in furtherance of, your business, any of their respective businesses, or in the business of anyone else, whether or not in competition with me, or for any other purpose whatsoever.
4. Confidential Information does not include any information which you can show was publicly available prior to your receipt of such information or thereafter became publicly available. Information shall be deemed "publicly available" if it becomes a matter of public knowledge or is contained in materials available to the public or is obtained from any source other than me, provided that such source is not to your knowledge under an obligation of confidentiality with respect to such information or obtained the information from an entity or person under such an obligation.
5. You acknowledge that neither I nor any of my agents, representatives, or employees makes any representation or warranty as to the accuracy or completeness of the Confidential Information and you agree that no such person shall have any liability to you or any of your representatives resulting from any use of the Confidential Information unless otherwise agreed by such person in writing.
6. In the event that you or anyone to whom you transmit the Confidential Information pursuant to this Agreement becomes legally compelled to disclose any of the Confidential Information, you will provide me with notice as promptly as is practical so that I may seek a protective order or other appropriate remedy. If prior notice is not practical you will in any event furnish only that portion of the Confidential Information which you are advised by counsel is legally required and you will exercise all reasonable efforts to cooperate with my reasonable requests at my expense in my efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.
7. You understand and agree that no failure or delay by any person in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement. You further agree that money damages would not be a sufficient remedy for any breach of this Agreement by you, or your employees, directors or representatives, and that I shall be entitled to specific performance and/or injunctive relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for any such breach of this Agreement but shall be in addition to all other remedies available at law or in equity.

8. Nothing in this Agreement shall impose any obligation upon you or me to provide or agree to provide any Services or to enter into any discussion or negotiations with respect thereto. Nothing in this Agreement shall constitute either of us the agent, advisor or partner of the other.
9. This Agreement shall be governed by the laws of England and shall terminate eighteen months from the date hereof.

If you are in agreement with the foregoing, please sign and return the enclosed copy of this letter which will constitute our agreement with respect to the subject matter of this letter as of the date first above written.

Faithfully yours,

*R. A. Rothschild*

R. Anthony Rothschild

AGREED TO AND ACCEPTED:

~~BURDA~~ BURDA HOLDING - CYBER LAB  
INTERACTIVE PRODUCTIONS GMBH

By: *[Signature]* By: \_\_\_\_\_

Its: CEO CYBERLAB Its: \_\_\_\_\_

CTO BURDA NEW MEDIA





## TELEFAX

CYBERLAB Interactive Productions GmbH, Arabellastraße 23, 81925 München, Tel.: +49 / 89 / 9250-2354

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**Datum/Date/Date:**

27.05.99

**An/to/à:**

**Bitte folgende Seiten umgehend weiterleiten an: Anthony Rothschild**

Please deliver urgently the following pages to:

Veuillez remettre d'urgence les pages suivantes à:

**N° Telefax:**

0033 1 60658201

**Von/From/De:**

Jean Paul Schmetz/H. Barton

**N° Telefax:**

+49 / 89 / 9250 - 3307

**Seiten/Pages/Pages:**

3

(inkl. Deckblatt / incl. this cover page / y compris la feuille de couverture)

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Sehr geehrter Herr Rothschild,

anbei erhalten sie das angekündigte Fax..

Mit freundlichen Grüßen

**CYBERLAB Interactive Productions GmbH**

A handwritten signature in dark ink, appearing to read "H. Barton" or "Heidi Barton".

Heidi Barton

# CYBERLAB

INTERACTIVE PRODUCTIONS

On April 15<sup>th</sup>, we had the opportunity to discuss your intention of creating a new type of advertisement network on a global basis. In the following document, we would like to describe how this project could best be realized.

## Status-Quo

At the moment, the interactive advertisement market is limited to two types of models:

1. Large traffic site sell their own advertisements (Yahoo!, ...)
2. Content sites are outsourcing their advertisement sales to an aggregator (DoubleClick, ...)

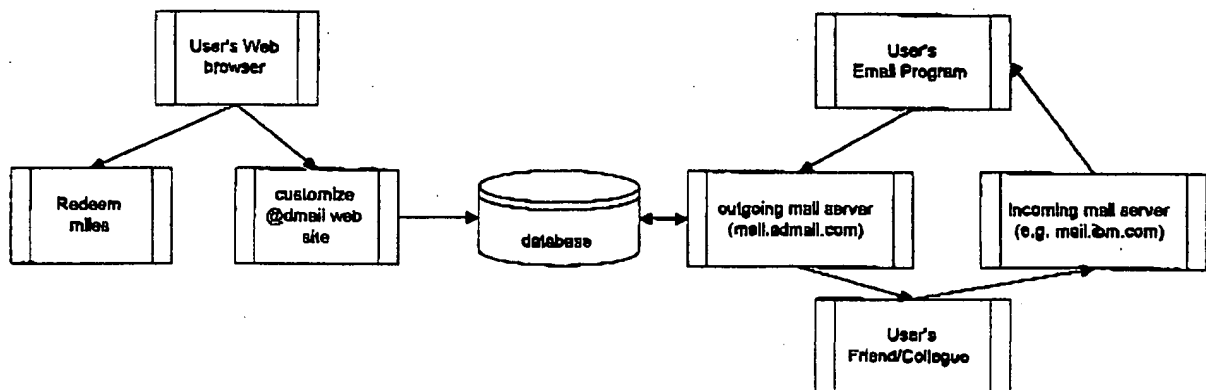
The idea behind @dmail would be to aggregate the traffic resulting from people sending each other emails and be able to use this as a basis for selling advertisements.

## Goals and scope

It is the intention of creating an advertisement system that would:

- (1) Allow users to register to the system and select which advertisement they would like to include to their emails. Users should be able to go to a fairly high level of details (i.e. do not include advertisements on email going to my boss, ...)
- (2) Allow users to track the response to their @dmails and know how much credit they have received.
- (3) Provide a way for users to redeem their @dmail credits (e.g. against frequent flier miles, books, ...)

Technically, this would require the following system:



The steps are the following:

1. The user registers at @dmail and customizes the service for himself (e.g. Don't send ads to my boss, include this book from Amazon on every other emails but no more than once, ...)



2. The user needs to make a few changes to his email client software (very easy but not always possible within firewalls)
3. The users sends an email to the outgoing mail server. An ad is attached to it automatically
4. When the user's friend receives the email, an ad is attached to it.
5. If he replies to the email, the email goes to the traditional incoming mail server.
6. The registered user can redeem his/her miles at the @dmail web-site

#### Next steps

- Development of a detailed technical concept and user interface script.
- Examination of the business model
- Check of the different associates models offered on the web to see whether we can build a profitable business based on this

#### Costs:

15 man/days at 3,000 DM per day: 45,000 DM refundable (pro-rata) if Burda decides to take a share of the company.

Sincerely,  
Jean Paul Schmetz

A handwritten signature in black ink, appearing to read "Jean Paul Schmetz", written over the typed name.

**CYBERLAB**

**CYBERLAB<sup>®</sup>**  
INTERACTIVE PRODUCTIONS

Konzept  
zu Aufbau und Betrieb  
einer neuen Werbeplattform  
- @mail -



München, August 1999

Dr. Wilfried Ströhm  
Till Otto

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## **Konzept zu Aufbau und Betrieb einer neuen Werbeplattform - @mail -**

### **1. Die Idee**

Es wird ein aktives Netzwerk für Werbung aufgebaut, das private Emails für Werbung nutzt.

#### **Die Vorteile von @mail**

- @mail stellt für Anbieter eine völlig neue, weltweit nutzbare Form sanfter Werbung im privaten Umfeld dar. Dem Anbieter eröffnen sich neue Märkte. Teuere Schaltkosten für Werbebanner entfallen.
- @mail bietet den Werbeteilnehmern eine Einnahmequelle: Diese haben die Möglichkeit, Geld bzw. geldwerte Leistungen zu verdienen.

### **2. Derzeitige Situation**

Die Refinanzierung von Internetauftritten stellt sich nach wie vor problematisch dar. Die Versendung von Werbung an Privatpersonen per Email ist unzulässig. Von daher fällt der gesamte Bereich der „Wurfsendungen“ weg. Auch der Verkauf von Lizenzen etc. bringt in den meisten Fällen keine nennenswerten Einnahmen.

Refinanzierung wird daher bei den meisten Sites über interaktive Werbebanner generiert, die von den jeweiligen Anbietern auf fremden, gut frequentierten Internetsites plziert werden. Die Kosten für diese Art der Werbung berechnen sich über einen Tausender-Kontaktpreis.

Werbebanner werden dabei aus zweierlei Gründen geschaltet:

- Erstens: um die Zugriffe auf die eigene Seite zu steigern, was wiederum heißt, je häufiger die eigene Seite besucht wird, um so höher sind die zu erlösenden Werbeeinnahmen über die dort geschalteten Banner.
- Zweitens: um Produkte zu verkaufen. Wie bei allen anderen Geschäften müssen auch Internet-Shops für ihre Produkte werben. Der Wettbewerb in der virtuellen Welt ist sehr hart, da die Konkurrenz nur einen Mausklick entfernt sitzt und die Bindung an einen bestimmten Anbieter gegenüber der „realen“ Welt deutlich lockerer ist.

Die Schaltung der Werbebanner erfolgt wiederum auf zwei verschiedene Weisen:

- Große, gut frequentierte Anbieter verkaufen ihren Werberaum in eigener Regie (z.B. Yahoo).
- Andere übertragen die Vermarktung ihrer Site einem professionellen Vermarkter (z.B. Doubleclick).

### 3. Künftige Lösung durch @mail

Die Idee von @mail ist, private Emails für die Verkaufswerbung von Produkten zu nutzen. Werbehinweise werden der Mail dabei einfach angehängt. @mail bietet die Möglichkeit, Einzelprodukte im unteren Preissegment (Bücher, Accessoires, Geschenkartikel) anzupreisen, für deren Werbung Banner zu teuer wären. Die Teilnehmer wählen die Werbung selbst aus.

Kommt ein Geschäft zustande, erhält der Teilnehmer über dieses System einen geldwerten Vorteil. Denn @mail animiert seine Kunden zur Nutzung des Systems durch ein Bonussystem, das den Versand und/oder Empfang von Werbung per Email belohnt. Über diesen Weg der freiwilligen Werbung kann das Werbeverbot per Email an Privatpersonen umgangen werden.

#### 3.1 Absenderbezogenes System

Bereits heute gibt es eine Reihe von Internetfirmen (A), die auf ihrer Homepage klickbare Buttons anbieten als Download-Datei anbieten. Private Nutzer (B) können diese auf ihrer Homepage platzieren. Kommt über diesen Weg zwischen

der Firma (A) und einer Person (B oder C) ein Geschäft zustande, erhält (B) einen Bonus.

- Dieses Prinzip soll nun auf den Bereich private Emails übertragen werden.

Cyberlab akquiriert diese Firmen (A), um privaten Nutzern (B) eine Auswahl an Logos, Produkten, Texten etc. zur Verfügung zu stellen, welche sie ihren Email anhängen können. Erwirbt nun der Empfänger der Email über diesen Link das Produkt, wird (B) ein Bonus gutgeschrieben.

### 3.1.1 Teilnahme am @mail-Bonussystem

Zur Teilnahme müssen folgende Schritte unternommen werden:

- Der Teilnehmer muß sich bei @mail registrieren. Dabei wird er nach seinen bevorzugten Interessen und denen seiner bevorzugten Mail-Adressaten befragt, damit diesen möglichst interessensnahe Werbung zugeordnet werden kann. Nach Angabe seiner persönlichen Daten wird ihm ein persönliches Bonuskonto zugeordnet, das der Teilnehmer über ein Paßwort jederzeit einsehen kann.

Weitere Idee: In einem „Adreßbuch“ kann bestimmten Personen eine bestimmte Werbung zugeordnet werden, die besonders gut auf den Empfänger paßt.

- Ist der Teilnehmer registriert, werden ihm verschiedene Marken bzw. Produkte vorgeschlagen, die er auswählen und für die Werbung selbst konfigurieren kann. Es sollten mindestens 5 Werbungen auswählbar sein, die dann über einen Zufallsgenerator den Mails zugeordnet werden, damit der Empfänger nicht immer die selbe Werbung erhält.

@mail kann seine Teilnehmer aber auch informieren, wenn z.B. eine Werbung 50 oder 100mal versendet worden ist und macht neue Vorschläge.

Alternative:

Alle Werbungen, die auf das Interessenprofil des Teilnehmers passen, werden über einen Zufallsgenerator den einzelnen Mails zugeordnet. In beiden Fällen hat der Teilnehmer aber immer die Möglichkeit die



einzelnen Werbebanner noch mit einem persönlichen Zusatz zu umschreiben, was zu einer Personalisierung der Werbung und damit zu einem erhöhtem Interesse (Klickrate) beim Empfänger führt.

- Der Teilnehmer hat jederzeit die Möglichkeit, die Werbung auszusetzen, wann immer er dies möchte, so z.B. bei geschäftlichen oder offiziellen Mails.
- Auf der @mail-Homepage erhält der Teilnehmer Hinweise, welche Einstellungen er an seinem Browser vornehmen muß, damit seine Mails über den @mail-Server verschickt werden können. Nur dadurch ist es möglich, daß der Mail Werbung hinzugefügt wird und das Bonussystem aktiv wird.
- Über seinen persönlichen Account kann sich der Teilnehmer stets über seinen aktuellen Punktestand (Guthaben) informieren.

Weitere Idee: Denkbar ist ein System, das die Teilnehmer automatisch über Produkte informiert, die sie mit dem aktuellen Punktestand erwerben können.

## **Volle Transparenz**

- Die Teilnehmer an dieser Art von Werbung erhalten somit jederzeit volle Transparenz über ihr Tun.

## **3.2 Empfängerbezogenes System**

Wer Werbung verschickt, kann Bonuspunkte erwerben. @mail funktioniert aber auch umgekehrt: Wer Werbung erhält, bekommt Bonuspunkte.

In diesem Falle arbeitet @mail als empfängerbezogenes System. Das bedeutet, daß zunächst ein FreeMail-Service aufgebaut wird, über den der Nutzer seine Emails abwickelt. Im Zusammenhang mit der Registrierung für den Dienst geben die Teilnehmer ein detailliertes eigenes Interessenprofil ab, damit nur Werbung aus gewünschten Bereichen zugestellt wird.

Empfangen diese Personen nun eine Email, wird dieser beim Eintreffen auf dem FreeMail-Server eine entsprechende Werbung beigefügt. Für das akzeptieren/klicken der Werbung wird der Nutzer mit Bonuspunkten belohnt.

## 3.2.1 Teilnahme am @mail-Bonussystem

Zur Teilnahme müssen folgende Schritte unternommen werden:

- Der Teilnehmer muß sich bei @mail registrieren. Dabei gibt er sein persönliches Interessenprofil an, damit an ihn adressierten Mails entsprechende Werbung beigelegt werden kann.
- Der Teilnehmer erhält eine persönliche Email-Adresse (name@mail.de). Wird dem Teilnehmer über diese Adresse eine Mail mit entsprechender Werbung geschickt, werden ihm dafür Bonuspunkte gutgeschrieben. Weitere Gutscheine erhält der Teilnehmer, wenn er die Werbung anklickt (betrachtet) bzw. über die Werbung entsprechende Umsätze beim Anbieter getätigt werden.
- Der Teilnehmer hat jederzeit die Möglichkeit, die Werbung auszusetzen, wann immer er dies möchte.
- Über einen persönlichen Account kann der Teilnehmer stets seinen aktuellen Punktestand (Guthaben) abrufen. Denkbar ist ein System, das den Kunden automatisch über Produkte informiert, die er mit dem aktuellen Punktestand erwerben kann.

### Volle Transparenz

- Die Teilnehmer an dieser Art von Werbung erhalten somit jederzeit volle Transparenz über ihr Tun.

### Vorteile des empfängerbezogenen Systems:

- Empfänger erhalten die Werbung freiwillig
- Mit jeder Mail wird ein geldwerter Vorteil erlangt
- Durch Mitgliederwerbung können weitere Bonuspunkte gesammelt werden
- Es entsteht eine Community, die sich über Produkte austauschen kann
- Werbetreibende Industrie erhält interessierte Kunden
- Firmenmail kann über @mail abgerufen werden und so auch mit der Werbung versehen werden.

## 4. Vorteile von @mail

### 4.1 Vorteile für Anbieter

Als Anbieter können für @mail gewonnen werden: Buchläden, Spielzeuginläden, Musikläden, Geschäfte für Geschenkartikel, kleine Sachen, für die es sich nicht lohnt, Banner zu schalten.

Handel und Dienstleistung erhalten über @mail ein neues Werbeumfeld. Durch @mail gelangt der Anbieter einen weiteren Schritt näher an den Konsumenten heran, da der Streuverlust durch die bekannten Interessenprofile der Teilnehmer deutlich sinkt. Den Anbietern wird somit eine große Anzahl zusätzlicher Kunden eröffnet.

### 4.2 Vorteile für Teilnehmer

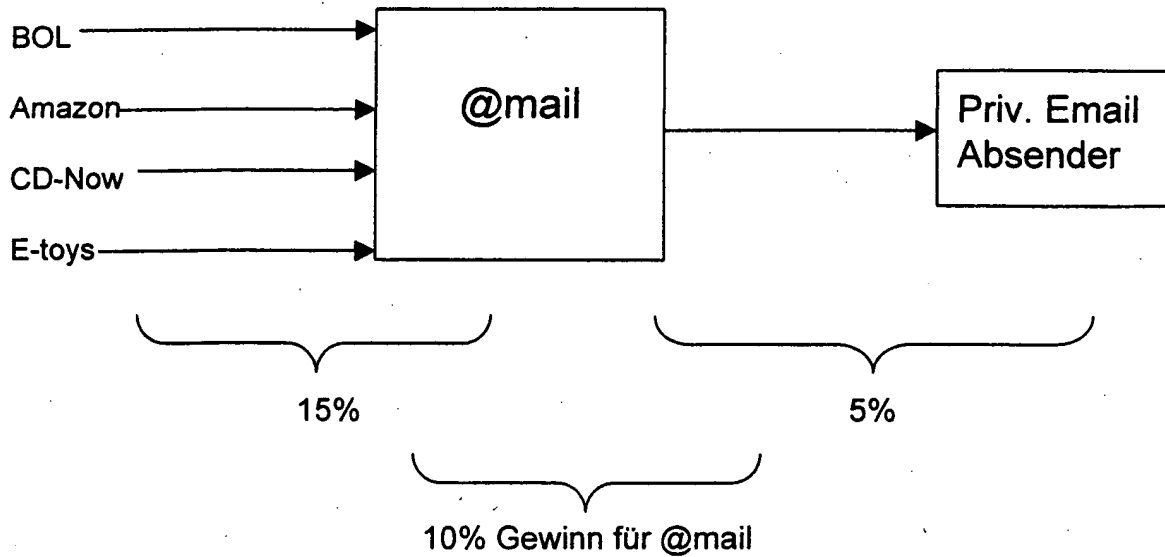
Teilnehmer können Bonuspunkte sammeln, die später gegen Produkte eingelöst werden können. Dieser Anreiz muß so groß sein, daß @mail für jede Mail angewendet wird. Denkbar wären neben dem Bonussystem weitere Anreize (Preise), die über einen bestimmten Zeitraum erworben werden können:

- Preis für denjenigen, der über ein Jahr die meisten Bonuspunkte gesammelt hat.
- Allgemeines Gewinnspiel für alle Teilnehmer, die @mail länger als einen Monat nutzen.
- Auslosung von Preisen unter allen Teilnehmern, wobei die Anzahl der Bonuspunkte die Anzahl der Lose pro Teilnehmer bestimmt.
- etc.

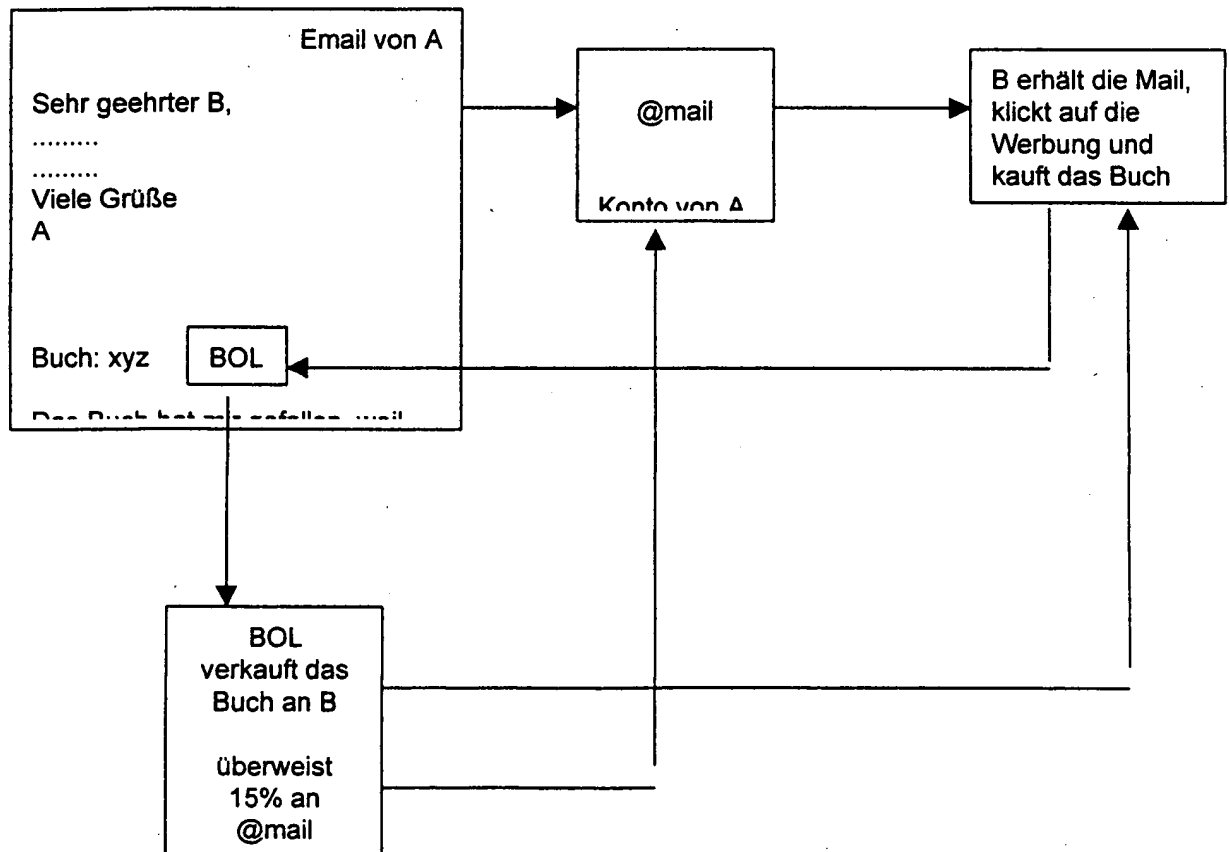
## 5. Das Business-Modell

Als Großanbieter von Kaufkunden kann @mail besondere Preiskonditionen mit den Anbietern aushandeln. So ist ein Rabatt auf alle verkauften Waren von 15%% möglich.

Die Aufteilung der Erlöse ist folgendem Schaubild zu entnehmen:



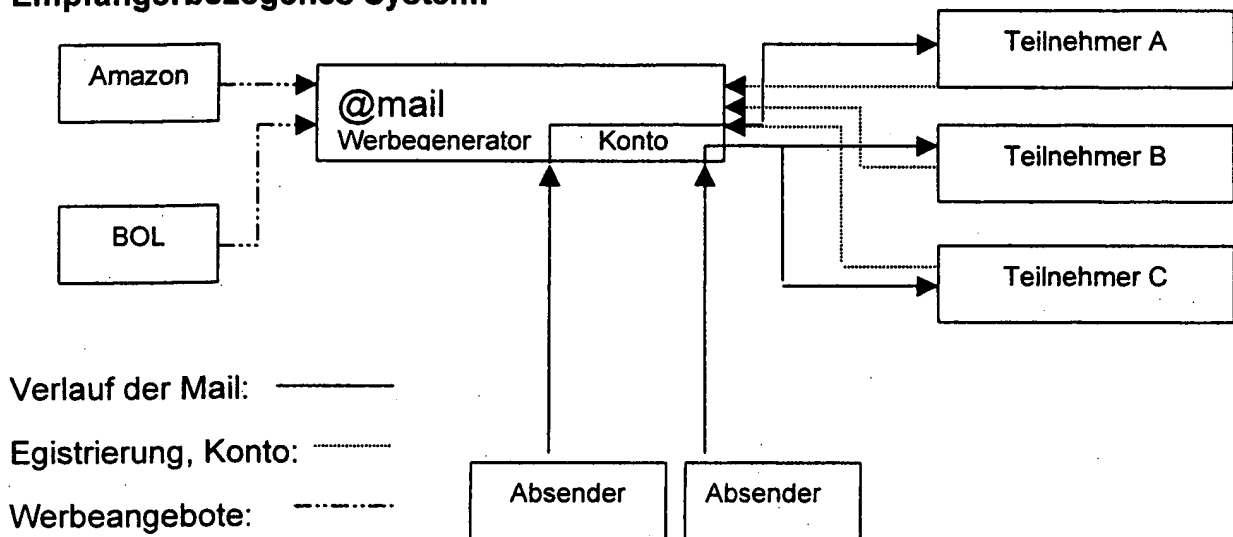
## Absenderbezogenes System:



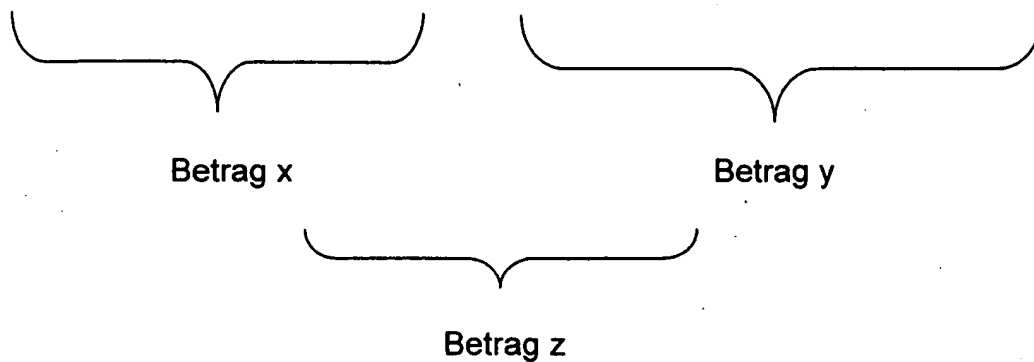
D.h.: Kauft Person B über den Link auf der Werbung von Person A ein Buch im Wert von 100 DM, werden @mail DM 15,-- gutgeschrieben. Davon gibt @mail DM 5,-- an Person A weiter. Bei @mail verbleiben DM 10,--.

A kann jederzeit sein Konto bei @mail überprüfen.

## Empfängerbezogenes System:



## Refinanzierung:



## 6. Wie sieht die Werbung aus

Die Werbung kann als Sigent, Text, Minirezension, Wertung, Link etc. geschaltet werden. Wichtige Voraussetzung ist aber, daß die Dateien klein sind und die Übertragungsgeschwindigkeit der Mail nicht beeinträchtigen.

## 7. Wer kann bei @mail werben

@mail kann von jedem Anbieter im Internet genutzt werden. Einzige Voraussetzung ist, daß er sich an die Bedingungen für die Größe und Gestaltung der einzelnen Banner hält. Denn um einen "Aufstand" bei den Empfängern zu vermeiden, die nicht Mitglieder bei @mail sind, müssen die einzelnen Werbebanner so klein (KByte) wie möglich gehalten werden.

## 8. Wie sieht das Bonussystem aus

Der Erfolg von @mail hängt von einem attraktiven und verständlichen Bonussystem ab. Punkte können hierbei auf verschiedene Weisen gesammelt werden:

- Punkte für das Empfangen und Versenden von Werbung
- Punkte für den Kauf aufgrund versendeter oder empfangener Werbung
- Punkte für das Werben von neuen Mitgliedern

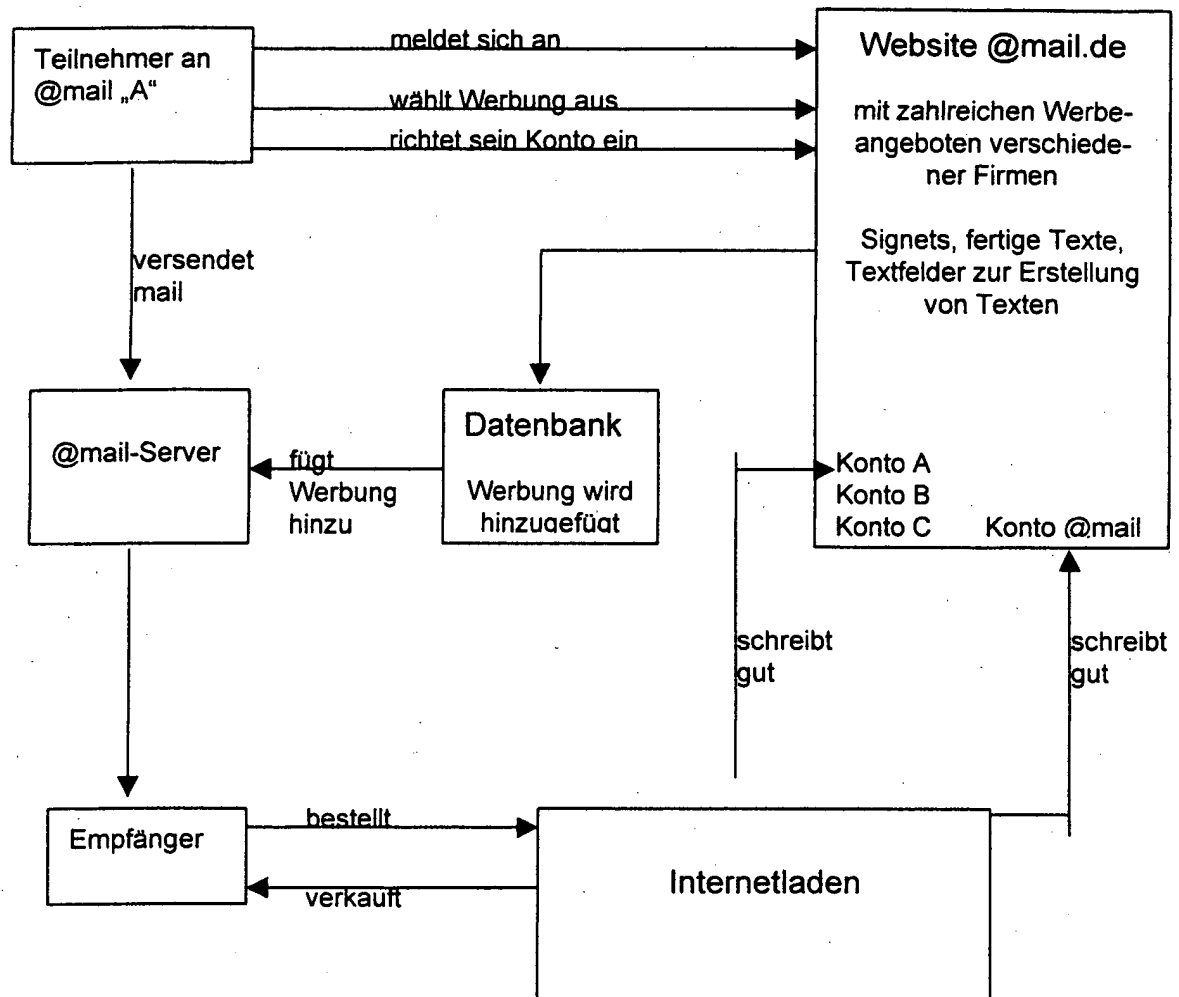
Wichtig: Die Preise müssen von Beginn an klar sein. Diese werden von Beginn an definiert. Hier gibt es zwei Möglichkeiten:

Eine bestimmte Anzahl von Punkten der Firma A führt zu einem bestimmten Produkt der Firma A.

Eine bestimmte Anzahl von Punkten der Firmen A, B, C, .... F, G führt zu einem firmenneutralen Produkt (Fahrrad, Koffer etc.).

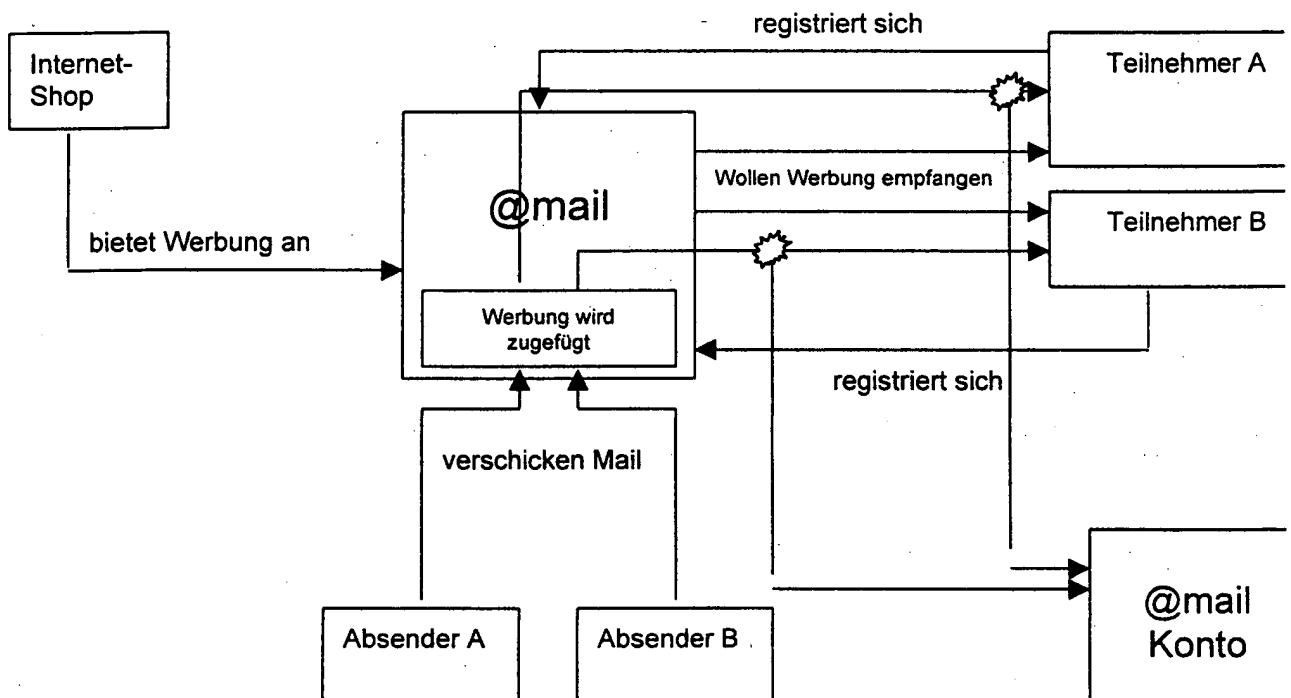
## 9. Schematischer Aufbau

Der gesamte schematische Aufbau und Ablauf von @mail (absenderbezogen) ist dem nachfolgenden Diagramm zu entnehmen:



1. Der Teilnehmer registriert sich, legt seine spezifischen Bedingungen fest (Keine Werbung bei offiziellen Mail, keine Werbung häufiger als 50 mal etc.), wählt die Werbung aus oder Textet sie selbst (z.B. Buchrezension) und richtet sein Konto ein.
2. Er nimmt einige wenige Konfigurationen an seinem Email-Browser vor.
3. Er schickt seine ausgehenden Emails zum @mail-Server. Die Werbung wird automatisch hinzugefügt.
4. Wenn der Adressat die Mail erhält, ist eine Werbung hinzugefügt.
5. Antwortet er auf die Mail, so läuft diese den „normalen“ Weg, d.h. nicht über den @mail-Server.

6. Bestellt der Adressat bei der beworbenen Firma, werden 15% des Verkaufspreises @mail gutgeschrieben. @ gibt 5% an den Teilnehmer weiter.
7. Der Teilnehmer kann seinen Kontostand auf dem Server überprüfen.
8. Hat er genügend Guthaben angesammelt, erhält er Produkte der betreffenden Firmen in der Höhe seines Guthabens (Bücher, Miles, Accessoires etc.)



## 10. Nächste Schritte

Erarbeitung eines detaillierten Konzepts für Anbieter und Kunden sowie der technischen Realisierung. Erarbeitung eines Businessmodells

### Kosten:

15 Manntage a DM 3.000,--.



## Concept for Structure and Operation of a New Advertising Platform - @mail -

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2. Present Situation
3. The Solution to come with @mai
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    - 3.1.1 Participation in @mail-bonus-program
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    - 3.2.1. Participation in @mail-bonus-program
4. Advantages of @mail
  - 4.1. Suppliers' Advantages
  - 4.2. Participants' Advantages
5. Business Model
6. Advertising
7. Schematic Structure
8. Next steps and futural action

## Concept for Structure and Operation of a New Advertising Platform - @mail -

### 1. Idea

An active advertisement network especially for advertising will be established which utilizes private email for advertising.

### Advantages of @mail

- @mail is a completely new and global method of gentle and private advertising. For suppliers it will open up new markets and profits. High expenses for advertising banners will be avoided.
- @mail is a source of income. Every participant has the chance of earning money or appropriate bonus goods and services.

## **2. Present Situation**

Financing of internet portals is still a problem. It is illegal sending advertising-E-mails to private individuals. Because of that the complete sector of direct advertising has been lost. For the most part selling of licences is not lucrative, either.

Very often financing is generated by interactive advertising banners. Suppliers place advertising banners with various popular internet sites. The corresponding advertising costs are yielded by the „Tausender-Kontaktpreis“ (contact price) per thousand hits of other providers.

There are two good reasons for placing advertising banners:

- First: Increasing the number of accesses („hits“) on a given page, i.e. the higher the number of accesses, the higher the income of generated advertising banners.
- Second: selling products. For internet shops advertising is necessary, too. In the virtual world competition is extremely stiff because the competitors are near by and they can be reached simply with a mouseclick. In addition ties with certain suppliers in the virtual world more superficial than in the „real“ world.

Advertising banners can be placed by two different methods:

- Successful and important suppliers sell advertising space for themselves (for example Yahoo).
- Other suppliers engage professional marketing agencies (for example Doubleclick)

## **3. A projected solutions with @mail**

The special feature of @mail is to utilize private E-mails for advertising. Therefore notes of advertising will be added to E-mails. With @mail products in the lower price range (books, accessoires, presents) can be introduced for which advertising banners would be too expensive. Every participant may choose his own advertisement.

If a deal is concluded, the participant will earn for example bonus points or a similar benefit. The idea is to encourage the customers of @mail with a special bonus program. As reward for dispatch and/or receipt of advertising via E-mail. This form of voluntary advertising is a legal way of circumventing the ban of advertising directed to private persons.

### **3.1. Sender oriented system**

A number of internet companies (A) already offer downloadable files via clickable buttons at their homepages. Thereupon private users can place these at their homepages. If a business deal thus is achieved between company (A) and private person (B or C), (B) will get a bonus.

- This principle now will be applied to the area of private emails.

@mail recruits companies (A) and their range of trademarks, products, advertisements etc. which will be put to a private person's disposal. Person (B) attaches a chosen advertisement to his email. If the addressee buys a product via this link (B) will receive a bonus.

### 3.1.1. Participation in the @mail-bonus-system

The following steps need to be undertaken:

- The participant needs to register at @mail. He will be asked for his personal interests and those of his addressees to assist in the proper selection of advertisement. After registration of his data a personal bonus account with a special password will be assigned. The participant can check this account at any time.

A further idea: Generate an „address book“ containing good correlations of certain individuals and advertisement groups. Certain recipients could be excluded.

- After registration certain trademarks and products are suggested for selections and configuration. A choice of five advertisements should be offered which then randomly are attached to the email. This will avoid an addressee's receiving the same advertisement.

@mail will also inform the participant if the same advertisement was sent already 50 or 100 times and propose a new selection..

Alternative:

All advertisements which fit into a participant's field of interests will be assigned to his emails by random selection. In either case the participant can add a personal note to the advertisement, thus increasing the addressee's interest (click rate).

- The participant is able to turn off the attachment of advertisement at any time. This would be particularly important for business and official emails.
- The @mail homepage will supply instructions as how to configure the participant's browser to send his emails via the @mail server. This is to only reliable method to attach advertising to email sent and to activate the bonus system.
- At any time the participant can inform himself about his current bonus status.

A further possibility: is a system which automatically informs the participant about his current credit and equivalent products which could be bought with this.

Transparency

- At any time all participants are able to perform checks on previous transactions.

### 3.2. Recipient oriented system

Whoever sends out advertising is entitled to bonus points and vice versa: Everybody who receives an advertisement also is entitled to bonus points.

In this case @mail operates as a recipient oriented system. This means that a FreeMail-service must be set up to handle a participant's emails. In the course of registration for this FreeMail service a user must then supply a detailed personal profile to ensure a proper selection of advertisement directed to participant. a result he only

Appropriate advertisement is attached to emails received via the FeeMail server.. The addressee receives bonus points for accepting/clicking/reading the advertisement.

A possible ranking could be:

- |   |                 |
|---|-----------------|
| • delivery of the advertisement         | 2 bonus points  |
| • clicking/reading of the advertisement | 6 bonus points  |
| • ordering                              | 15 bonus points |

#### 3.2.1. Participation in @mail-bonus-program

The following steps are required for participation:

- The participant has to register at @mail and supply his personal interests and preferences in order to receive appropriate advertisements with his incoming email.
- The participant receives a personal email address (name@mail.de). Bonus point are credited for the reception of an email with attached advertisement.
- At any time the participant can suspend email-advertising.
- At any time the participant can check his current bonus status via a personal account.. A further possibility: is a system which automatically informs the participant about his current credit and equivalent products which could be bought with this.

#### Transparency

- At any time all participants are able to perform checks on previous transactions.

#### Advantages of the recipient oriented system:

- Addressees receive advertisements voluntarily
- Each received email earns a benefit
- Additional bonus for recruiting new members
- Establishment of a -community interested in certain products
- Trade and commerce locates interested customers
- Business email can be retrieved via @mail and advertising added

## 4. Advantages of @mail

### 4.1. Suppliers' Advantages

Potential suppliers of products via @mail are: Bookshops, toy shops, music shops, gift shops, as well as stores carrying lower priced products for which advertising banners are too expensive.

@mail is a completely new form of advertising for trade and service industry. @mail narrows the distance between supplier and consumer by directing advertisement to the specific interests of the participants. The suppliers can thus locate a large number of additional customers.

### 4.2 Participants' Advantages

All participants collect bonus points which can be cashed in for products. The incentive for collecting bonus points must be large enough to induce using @mail on a regular basis. Additional incentives (rewards) which could be obtained in the course of time are conceivable:

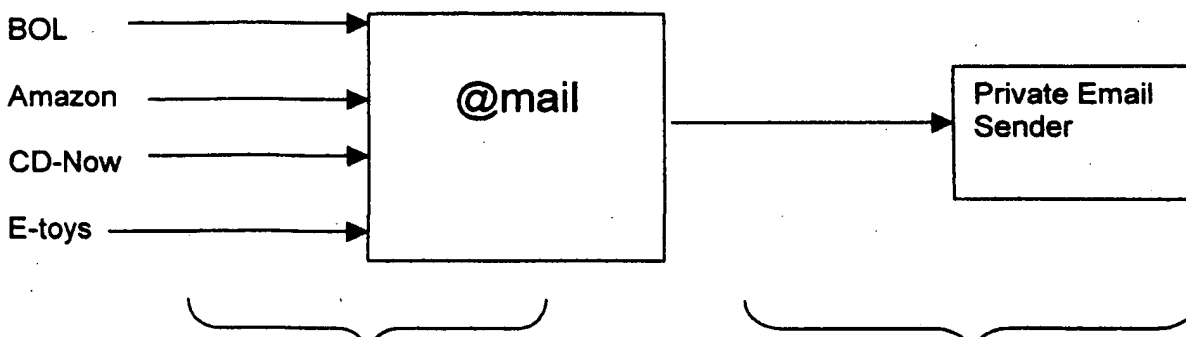
- A reward for the highest number of points collected per year.
- A lottery for all participants who have used @mail at least for one month.
- Drawing of prizes among all participants. The number of bonus points determines the number of tickets.
- etc.

## 5. Business Model

@mail as a large scale supplier of potential customers is able to obtain special prices and commissions (up to 15 % on all products sold) from the suppliers.

The following diagram shows how the proceeds are put together:

Sender oriented System:



ca. 15%

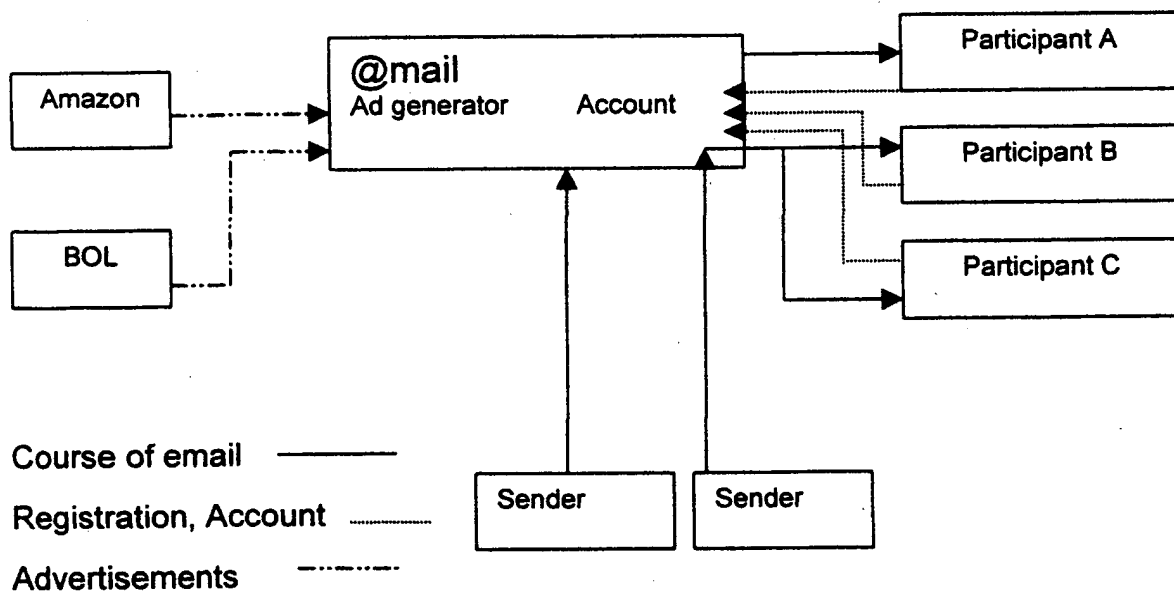
ca. 5%

ca. 10% profit for @mail

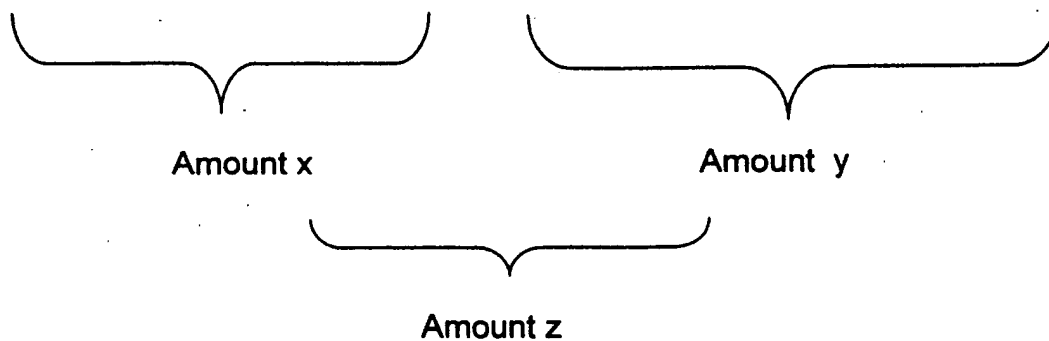
I.e.: If person B buys a book at the price of DM 100 via the advertising-link mailed by person A, @mail receives DM 15. @mail shares DM 5 of these proceeds with person A and retains DM 10

At any time A can check his account at @mail.

### Recipient oriented system:



### Financing:



## **6. Advertising models**

Advertising can appear as a publisher's trademark, text, minireviews, testimonials, links, etc. Small data files are very important to preserve transmission speed of emails.

## **7. Who can Advertise at @mail**

@mail can be used by every supplier in the internet. The only limiting conditions are size and layout of advertising banners. These must to be as small (in KB) as possible to avoid potential addressees' annoyance.

## **8. Bonus program models**

Only an attractive and simple bonus program will be successful. There are different ways of earning bonus points:

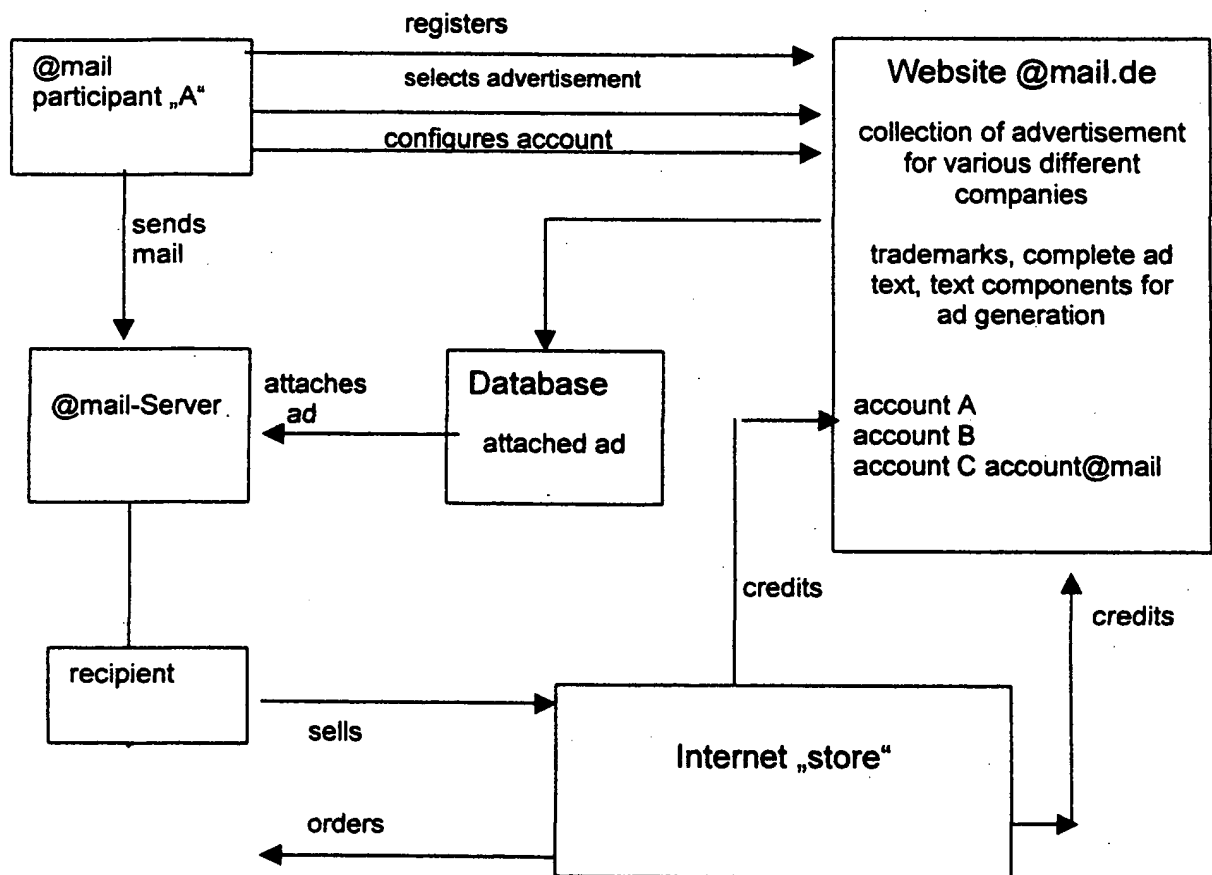
- ? Points for sending and receiving advertisements
- ? Points for product orders based on sent and received advertisements
- ? Points for recruiting new members

It is important that all rewards are fully defined at the begin of an @email advertising program. There are two basic models:

- A certain number of points collected from company A can be traded for a certain product of this company.
- A certain number of points from company A, B, C...F, G can be traded for a "neutral" product (bicycle, suitcase etc.) not of a specific company.

## 9. Structure Outline

The following diagram explains the structure and organization of @mail (sender's oriented):



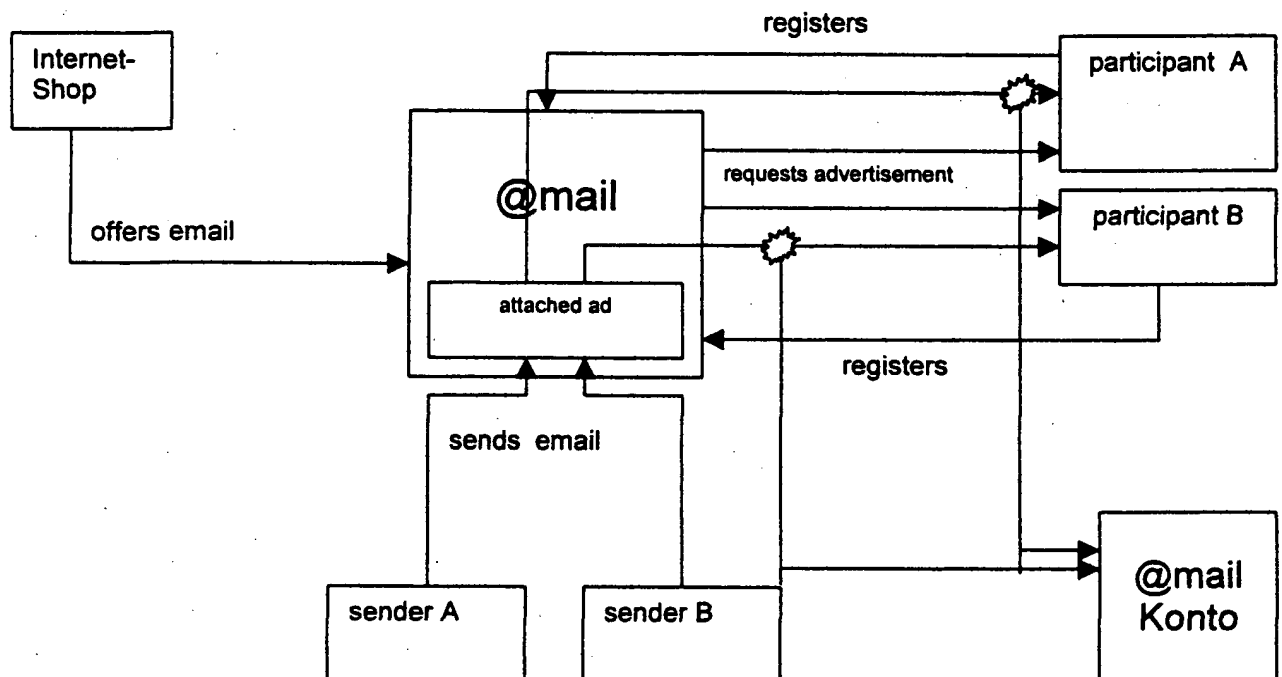
1. The participant enroles, determines personal conditions (no advertising attached to official/ business mails, not more than 50 repetitions of the same advertisement etc.), chooses finished advertisements or creates them (for example reviews) and opens his account.

2. Configuration of the email client / browser.

3. Outgoing emails are sent to the @mail server. Advertisements are added automatically.



4. The addressee receives the email with the advertisement attached.
5. Replies to the mail are sent in the usual way (not via the @mail server).
6. If the addressee orders and buys a product from the company advertised, 15 % of the price will be credited to @mail. @mail passes on 5% to the participant.
7. The participant can check his account at the server at any time.
8. Once sufficient bonus points have accumulated, these can be exchanged for products from member companies (books, airline miles, accessories etc.)



## 10) Next Steps

A detailed concept for suppliers, customers and technical realization, as well as a business model.

Costs:

15 man days (at DM 3.000,- each)

MODUS = SPEICHER-ÜBERTRAGUNG

START=20-JUL 09:27

ENDE=20-JUL 09:27

DATEI-NR.= 167

NR.	KOMM.	ZW/KW/ NETZW.ADR.	NAME/ RUFNUMMER	SEITEN	PRG.NR.	PROGRAMMNAME
001	OK	S	0-0044207290588	002/002		

-THE CARLYLE GROUP -

\*\*\*\*\* -CARLYLE GROUP - \*\*\*\*\* - +49 89 29195858- \*\*\*\*\*

ANTHONY ROTHSCHILD

**TELEFAX**

To: Christopher Mackenzie  
Fax-No.: 0044 (0) 20 7290 5889

From: Anthony Rothschild

Pages: 3 (incl. this)

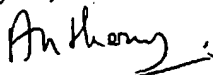
Date: 1999-07-20

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Please forward this to Christopher as discussed.  
I would like to speak with him as soon as possible to see  
if we can arrange a discussion with Martin Sorrell. I can  
be contacted today either on my mobile (0973 287 534) or  
at the Carlyle Group in Munich (089 - 29 19 58 0)

I will be going away on holiday next Tuesday

Regards,

  
Anthony Rothschild

## Confidential Memorandum

**To:** Christopher Mackenzie  
**Fm:** Anthony Rothschild  
**Date:** July 19th. 1999  
**Re:** BrandMail

Hi Christopher.

As discussed I am sending you a short description of the BrandMail concept to initiate a discussion with Martin Sorrell.

I think his potential involvement in some form would be a very significant contribution: if BrandMail can associate itself at an early stage with such a powerful force in the advertising world one of the major obstacles, credibility with major mainstream advertisers (as opposed to Internet advertisers), would be considerably reduced. This, combined to access to their client base, would advance and enhance our business plan. In fact, in discussions with Barry Glick at an early stage of the project, we had already identified this route as one of the preferred ways forward.

As you know, we are currently in the process of filing a patent application for the BrandMail business process. The patent attorney has advised me that at this stage, when talking to third parties it would be necessary to ask parties to sign an NDA. Do you think this would be possible; it could be done either under English or New York State law, and I would send you a draft agreement for his approval.

### BrandMail

BrandMail is a system designed to provide targeted advertising using the email medium. Email continues to be the single most widely used application of the Internet. BrandMail leverages the knowledge of the person sending email (*sender*) as to the likely interests or receptiveness of the *recipient* to the advertiser's message or the linking method used by the advertiser (icons, banners, signature line, etc.) to bring the recipient to their site.

The system uses a three-stage process.

- The sender can add either automatically or through manual selection, advertising material to the body, top or end of their messages or as an attachment to the email. This can include advertising banners, corporate sponsorships, text-based URLs of advertisers or future advertising methods or linking methods. The sender receives a certain amount of benefit or cash for doing this per email, with an upper limit per month.

- The sender is incentivised to reflect on what might be of interest to the recipient and therefore to choose from the selection of icons, banners etc., since if the recipient clicks through or links to the advertiser's site, the sender will be further rewarded.
- The fact of involving the sender in the selection process also provides "free" eyeball exposure to the advertisers concerned of the icons, links etc.

The concept is fairly simple to grasp for the user and therefore can be rapidly distributed through so-called "viral marketing" techniques: the mirror image of BrandMail, a site called "alladvantage.com" which pays users for having an advertising bar on their browser whilst they are surfing, has attracted close to 2 million users within 3 months.

We are currently in the process of seeking protection for the intellectual property in the program and are filing for patents in the US and where appropriate and when, internationally.

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